



Department for Levelling Up,  
Housing & Communities

Non-Domestic Rates Team  
LGF – Local Taxation  
SE Quarter - 2<sup>nd</sup> Floor  
Fry Building  
2 Marsham Street  
London SW1P 4DF

Email: [ndr@levellingup.gov.uk](mailto:ndr@levellingup.gov.uk).

**17 August 2022**

**Chief Finance Officers of English Billing Authorities**

**FOR THE ATTENTION OF THE BUSINESS RATES SECTION**

Dear Chief Finance Officer

**Business Rates Information Letter (5/2022): General Information**

This is the fifth business rates information letter to be issued by the Department for Levelling Up, Housing and Communities this year. Previous letters are available on the internet at:

<https://www.gov.uk/government/collections/business-rates-information-letters>

or for archived letters:

<http://webarchive.nationalarchives.gov.uk/20120919132719/http://www.communities.gov.uk/localgovernment/localgovernmentfinance/businessrates/busratesinformationletters/>.

**This letter covers:**

- **Business rates: implementation of green reliefs**
- **COVID-19 Additional Relief Fund (CARF)**
- **Digitalising Business Rates (DBR) - Consultation**

## **Business rates: implementation of green reliefs**

At the Spring Statement on 23 March, the Chancellor announced that the Government would bring forward from April 2023 to April 2022 two measures to support investment in green energy efficiency. The first measure was an exemption for eligible plant and machinery used in onsite renewable energy generation and storage. Plant and machinery such as rooftop solar panels, wind turbines, and battery storage will be exempt along with storage used with electric vehicle storage points. The second measure was a 100% relief for eligible low-carbon heat networks which have their own rates bill.

The regulations exempting relevant plant and machinery have now come into force and can be found at; <https://www.legislation.gov.uk/ukxi/2022/405/contents/made>. The Valuation Office Agency (VOA) is now working to implement this exemption. This will allow the support to be backdated to the date the regulations came into force,

The heat network relief will be delivered using existing local government discretionary relief powers funded by the government for the financial year 2022/23. The guidance for this scheme can be found at:

<https://www.gov.uk/government/publications/business-rates-heat-network-relief-local-authority-guidance/business-rates-heat-network-relief-local-authority-guidance>.

From 1 April 2023 the government intends that the relief should be provided through a mandatory relief which will require primary legislation.

The business rates heat network relief guidance sets out for local authorities the criteria for the heat network relief scheme for 2022/23. The guidance applies to England only and does not replace existing legislation.

## **COVID-19 Additional Relief Fund (CARF)**

Data for the Covid-19 Additional Relief Fund (CARF) scheme has been published on the DLUHC website. This data can be viewed at:

<https://www.gov.uk/government/publications/covid-19-additional-relief-fund-distribution-data>.

The data shows how much relief has been awarded by each local authority and includes a breakdown of award by industry and by constituency. The data has been collected monthly and covers the period from March to June 2022.

In conjunction with the data publication, Paul Scully MP and the Rt Hon Lucy Frazer MP have written to local authority Chief Executive Officers acknowledging the hard work done so far by local authorities, but also encouraging the consideration of options to increase the speed of delivery of CARF schemes. The letter can be found in annex A attached.

## **Digitalising Business Rates Consultation**

In the Final Report of the Business Rates Review<sup>1</sup>, published at Autumn Budget 2021, the government committed to modernise and digitalise the business rates system by:

- matching business rates data with central HMRC tax data; and
- displaying business rates information alongside other tax information in a standardised way.

HMRC has now issued a consultation, which sets out and seeks views on how the government proposes to deliver that commitment. Digitalisation would not impact the rates retention process and local government will remain responsible for business rates billing, relief administration and collection.

The Digitalising Business Rates: connecting business rates and tax data consultation can be found at:

<https://www.gov.uk/government/consultations/digitalising-business-rates-connecting-business-rates-and-tax-data>.